Statement
of

VIETNAM VETERANS OF AMERICA

Presented by

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Before the

House Committee on Veterans' Affairs

Regarding

The President's FY 2005 Budget Request
for the
U.S. Department of Veterans Affairs

334 Cannon House Office Building
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Mr. Chairman, on behalf of Vietnam Veterans of America (VVA) and our National President Thomas H. Corey, I thank you and your distinguished colleagues for the opportunity to present our views with regard to the President's proposed FY 2005 budget for the Department of Veterans Affairs (VA) to provide vitally needed health care to our nation's veterans.

VVA holds that the essence and purpose of the VA medical system is literally what is stated in the VA's motto, "To care for him who hath borne the battle, his widow and his orphan." Regrettably, the budget proposed for FY 2005 makes a mockery of President Abraham Lincoln's words.

VVA believes that the VA requires an increase to at least $31.31 billion in "hard" appropriated dollars for FY 2005 for the Medical Care account alone in order to keep pace with even the most conservative estimate of medical inflation. That would be an increase of $1.81 billion in the Medical Care account, exclusive of third party collections, over what the Veterans Health Administration (VHA) has acknowledged was really the amount ($28.5 billion) needed for minimal operation of the veterans health care system for all statutorily eligible veterans for FY 2004. This would match the estimated 6% increase in medical inflation projected by the Center for Medicare and Medicaid Services (CMMS) of the Social Security Administration for FY 2005.

In addition, VVA strongly believes that VHA needs a minimum of $1 billion added to the Medical Care account to be devoted solely to the restoration of organizational capacity in mental health care staff, as well as core staff in other "specialized services," acute care, and areas such as Hepatitis C. This investment is needed now if the veterans health care system is to even begin to meet its statutory mission in the future. For all of the VHA, including Medical and Prosthetic Research and Medical Administration and Miscellaneous Operating Expenses, VVA believes that a total of $31.4 billion for FY 2005 is not only warranted, but necessary.

VVA, like many of our colleagues in the veterans' service organization community, enthusiastically endorses the Independent Budget of the Veterans Service Organizations (IBVSO). While VVA estimates a larger figure for the Medical Care account, we concur on virtually every other cost estimate rendered by IBVSO.

As the distinguished Members of this panel know, VVA last July published a "White Paper: The Position of Vietnam Veterans of America on Health Care Funding for All Veterans" (accessible on the web at http://www.vva.org/legiss/white_paper.pdf). Graphs in this document used the extremely conservative inflation figures for Medicare to show that, on a per capita basis, funding for the VHA Medical Care account lags woefully behind even that very under-funded program. Extending that same methodology, had veterans health care funding simply kept pace with Medicare, on a per capita basis, since 1996, we should have expected a request from the President for FY 2005 of approximately $38 billion for the Medical Care account alone. This is what we mean we speak of the eroded funding base. This problem did not start with this Administration, yet three years into this Administration's watch, the problem of the eroded funding base has not been addressed, much less resolved.

By comparison to what is really needed, the President's request of $27.052 billion is inadequate for the full and proper operation of the veterans health care system even if it were restricted to only Priority 1-6 veterans, whose numbers have increased significantly since 1996 (actually more than Categories 7 & 8).

As in past years, VVA believes strongly that the vitally needed funding increases noted above must be accompanied by management systems improvements and reforms. We are referring to a financial tracking system in which statements of accounts allow for tracking expenditures of specific fields and areas of interest (e.g., Hepatitis C). We also maintain that it is long overdue for the VA to establish a real-time Management Information System that can inform the Secretary and his top aides precisely what resources are available where at any given time. These tools must be developed and implemented to track essential data, even if Congress has to mandate creation and proper maintenance of such tools.

VVA also maintains that there must also be significantly greater accountability for performance from senior managers. This must be enforced with sanctions as well as bonuses. In this area, much more needs to be done if the system is to be responsive to the needs of the veterans it serves.

Most Americans believe that health care for veterans is a government obligation to those men and women who stepped forward to defend the freedoms we hold dear. A new generation of Americans now bears the burden of defending our country. We must keep faith with their dedication by making anew the commitment to ensure that the funding to care for their injuries and disabilities is not relegated to a discretionary outlay by the nation they have sworn to defend.

Budgets, of course, are a reflection of the values and priorities of the administrators who design them and the legislators who approve them. What does the "discretionary" funding proposed for FY 2005 for the care of men and women who have defend this country say about America? We know what the proposed budget for veterans' health care says. What will be the answer that Congress gives to this proposal? VVA believes that you in Congress must resoundingly say that this proposal is not nearly adequate enough for the men and women who serve in harm's way today, nor for those men and women of previous generations who hath borne the battle defending our Constitution in years past.

Last January, VVA defended the Secretary of Veterans Affairs when, faced with dire fiscal realities, he created a new Category 8 for prioritizing medical care at the VA and "temporarily" suspended new enrollments of veterans in that category. Triage is hard. I had to do triage as an Army medic in Vietnam. It was the hardest thing I have ever had to do. The Secretary then had the political courage to take what appeared to be the only proper choice under the circumstances. The question we all asked at the time was: How did it come to pass that Secretary Principi, who cares deeply about the veterans he serves, felt he had to take such an action?

America's veterans should not have to be triaged.

To our surprise, within a month VA projections for services through the year 2023 made the assumption that Priority 8 veterans would be denied access to the health care system. The reaction

of the VVA leadership was, and is, that that is some heck of a "temporary" suspension! Triage is a short-term ordering of resources to save lives. Denial of access to medical care for twenty years is not triage but a flat-out denial of medical care to those who have been declared by you in Congress as eligible to receive such care. VVA now believes that others in the Administration took the Secretary's temporary move as a *de* facto opening to violate the intent of the law and permanently deny ever more veterans health care which they earned by virtue of their military service and for which they are statutorily eligible.

If it is the intent is to alter the eligibility of veterans to access VA health care as defined by the 1996 eligibility law, then the only proper way to do that is for the Administration to ask for Congress to change the law. If that is the intent, then let the Administration make the proposal openly and honestly. Then let us have a free and open debate, so that our elected representatives can hear from the American people and decide what course of action to take. VVA does not anticipate, though, that such a proposal will be advanced through the front door. Rather, it is our fear that this backdoor undermining of the VA health care system will continue so long as Congress permits this *de facto* change of eligibility to continue.

VVA believes, and we know that most of the distinguished Members of this Committee believe, that as a nation we can and must do better to provide proper funding for the veterans health care system than we have done. Our nation's veterans have been shortchanged despite laudatory efforts by the leadership on both sides of the aisle on this Committee, and by the efforts of many other friends in Congress. VVA is deeply grateful to you for the political and moral courage you have exhibited in the last year. Without your efforts, the situation could be much more dire than it is. Yet, here we are again.

To fix the system, we believe that a method of funding the VA's medical operations that removes it from the vagaries and uncertainties of the shrinking discretionary budget must be instituted. To this end, VVA is proud to be a member of the Partnership for Veterans Health Care Budget Reform, which for the first time has the major veterans service organizations on the same page on the issue of funding for the veterans health care system. VVA is in full support of legislation that will provide full mandatory health care funding. We look forward to working closely with the Members of this Committee toward achieving such funding reform this session of this Congress.

As was amply demonstrated in the "White Paper: The Position of Vietnam Veterans of America on Health Care Funding for All Veterans," the resources appropriated to the VA to treat veterans is eroding, even when measured against funding for Medicare (which is itself grossly under-funded). It appears to be impossible to close the structural funding gap that has eroded the funding base through the ordinary budget process, considering that we are more than $8 billion short in this regard. Therefore, we believe the only way to restore the system to viability is to make VA health care funding mandatory, on a per capita basis, indexed to medical inflation.

VVA recently took the extraordinary step of filing suit in Federal District Court against the Secretary of Veterans Affairs to cease and desist restrictions imposed on outreach. This was a very difficult step for us, as our leadership holds this Secretary in particularly high regard. We know the Honorable Anthony J. Principi to be a man of real integrity and deep commitment to the individual

veteran who needs assistance. He has a distinguished record of service to country in both military and civilian life. This was, therefore, a step taken with great reluctance in an attempt to ensure that the need to inform veterans of their rights to medical care and other vital services is being met. Had the VA system been properly funded, it is unlikely that VVA would ever have to resort to redress by the Court, particularly given the leadership of Secretary Principi.

Denial of information about services and care available to veterans is effectively denial of those services and that care. Much has been made about the putative distinction (which eludes us) between "marketing" of veterans' health care and other vitally needed services, and "outreach" to veterans to inform them of the health care and other services which they are eligible to receive. What has happened since a memorandum was issued by the VHA last February is that activities to inform veterans have been significantly curtailed, no matter what nomenclature one wishes to use to describe those activities.

The day before VVA filed suit on January 22, 2004 (and before our final decision to proceed), I had the opportunity at a public meeting to take an informal show of hands by the Directors of the Veterans Integrated Service Networks (VISNs) about such activities. In response to the question, "How many are doing more outreach activities today than one year ago?" only one VISN Director raised his hand. Five or six raised their hand in response to the question, "How many are doing about the same level of outreach as one year ago?" The remaining twelve or thirteen Directors raised their hand in response to the question, "How many of you are doing somewhat to significantly less outreach today than you were one year ago?"

It is true that since the Omnibus funding bill has been passed the Secretary has ordered that waiting times in excess of six months to see a primary care physician be reduced to zero within 90 days. We applaud Secretary Principi and support him and the VHA in this effort. In some cases the waiting times really are being reduced, and in some cases VA staff is learning how "to game the system" to make it appear that waiting times of more than 30 days are being reduced or eliminated.

However, VVA must point out that the waiting times for many veterans is being reduced by denial of the right to enroll for such services. This is akin to the recent announcement of a significant drop in the nation's unemployment rate. I think all Americans were pleased to hear that unemployment is down, until we learned that the unemployment rate dropped because so many Americans were no longer counted in the statistics because they were so discouraged they had stopped looking for work.

The waiting lines and times are reduced at VA because of the number of veterans who have become discouraged waiting and dropped out of the potential pool of VHA enrollees – and potential users – or because they are now systematically excluded from the pool of potential users of health care at VHA, or because they have no knowledge of those benefits and services. Many Priority 8 veterans have no health insurance, and do not have the cash to pay for health care straight up. So they do without.

Many veterans do not know that if they served in Vietnam they should be tested for prostate cancer regularly as the rate of prostate cancer among "in country" veterans is several times the rate

for non-veterans in our cohort. Nor do they know that prostate cancer is a service-connected presumptive condition for them. Even if they do know this, some do not get tested because they cannot afford it, and they cannot access the VHA system because they earn more than the HUD guidelines for income in their area. At the same time, because of the reductions in outreach (which were never very good regarding Agent Orange to begin with), those same veterans have even less of a chance to receive the information and education on this potential service-connected hazard because the funds are not there.

Many of these same veterans who served in Vietnam served in combat. Did they bear the battle? VVA thinks so. Yet they are on their own, not knowing that they are at an increased risk for prostate cancer as well as other diseases and conditions because of exposures in military service. When they get sick enough, if they have no other option, and if their spouse does not have a decent job, they may become poor enough for long enough become eligible for VA health care services. Only later it is possible that they may be deemed service-connected disabled, if they are lucky enough to stumble upon someone who knows enough to help them file a claim, and if they do not die before the claim is adjudicated after a long wait.

Can we collectively do better for our nation's veterans? VVA thinks we can, but only if sufficient funds are appropriated and greater accountability for use of those funds is demanded and codified.

In regard to the issue of accountability, VVA believes that the quality of much of the health care at VHA is generally good to excellent for those who can gain access to that care. What is lacking, however, is enough emphasis that this is a *veterans* health care system and not just a general health care system that happens to serve veterans. There are wounds, diseases, maladies, and conditions that are potentially dangerous to one's long-term health that are endemic to each conflict and theater of operation and/or particular circumstances of service.

Taking a military and medical history is just plain good common sense, and it is also good practice of medicine. This is absolutely necessary if we are committed to a wellness model of returning the individual to the highest degree of self-sufficiency and autonomy possible. VVA holds that this not only makes sense, but that it is our duty as a nation to do this, and do it right. Proper diagnosis means asking the right questions, and this simply does not happen often enough. The situation is much better than it was a few years ago, but much remains to be done.

The stated commitment in the strategic planning documents of both the VA as a whole and the VHA in particular give us hope that the VA is moving in the right direction toward becoming a true veterans health care system that is properly focused on the "veteran-ness" of those whom this system is designed to serve. VVA applauds Secretary Principi and Undersecretary Roswell for these first formal steps, but urge measurable objectives and timetables that are adhered to if their stated goals are to be achieved.

VVA must note that we continue to be deeply concerned by the "Capital Asset Realignment for Enhanced Services" (CARES) process. CARES is theoretically a data-driven system yet it has bad data based on existing services after several years of devastating cuts, particularly to the

specialized services, which represent the core of the VA mission. These cuts have been especially severe in mental health.

To compound the bad data set (which should have included a proper needs assessment of the veterans' population in each "market"), the VA is applying a formula that makes the late Rube Goldberg's overly complicated machines look simple by comparison. Even more importantly, this current "CARES formula" is a civilian formula, designed for healthy middle-class Americans who can afford to purchase HMO or PPO health-care coverage. That is not the population whom the VHA serves.

This formula posits one to three presentations in each veteran, whereas VHA averages five to seven presentations in each unique veteran who comes to VHA for care. The current formula does not take into account the wounds of war nor the terrible toxic exposures that result in higher incidence of cancers and other maladies. Nor does it take into account mental health or the neuro-psychiatric wounds of war. It does not take into account the fast-growing need for long-term care for veterans of several generations. And lastly, it does not take into account future veterans, including those serving today in Iraq, Afghanistan, the southern Philippines, and other zones in the war on terrorism.

This inadequate CARES formula and process, soon to become the standard so-called strategic planning process for veterans health care, is logical only in that it is a highly organized and grossly complicated way of going wrong with confidence. Or, at least there is confidence on the part of the planners and the Office of Management & Budget, which should give the rest of us cause for careful reconsideration of the wisdom of this very flawed process.

The Administration's budget request for FY 2005 fits right in, unfortunately, with this effort to plan the future resources for our nation's veterans by constructing a model that grossly underestimates the medical care needs of veterans now and in the future, particularly medical care related to military service, as a way of holding down costs – at any cost to veterans.

It has been suggested that the totally inadequate request for medical care for FY 2005 is payback for Congress having sought to add $1.3 billion to the FY 2004 request the President sent up one year ago. By holding this figure down, OMB has been allowed to take funds that should have been expended already and use that "carryover" as an excuse not to ask for even a respectable increase, much less to request an amount that meets what the situation calls for in regard to properly funding the VHA system. This is gamesmanship of the worst order, and it should be seen as such, and publicly labeled as such, by each Member of Congress.

The question that confronts us today is: How do we secure enough resources to keep the system going long enough, and strong enough, to discuss and debate how to make it work better to accomplish the goals we all share in this hearing room? The ordinary processes of Congress in fashioning a budget are not such as to allow for the adding of the $2.5-3 billion in taxpayer dollars it will take just to preserve even the current inadequate organizational capacity to deliver services, much less provide proper outreach and education, as well as access to all who have earned the right to decent veterans health care.

In the business-as-usual scenario, it is unlikely that much more than $1 billion will be added to the Administration's request for health care, inasmuch as the budget process is played as a zero-sum game. In this model, any money not requested by the President must come from somewhere else. The only solution to this annual dilemma is to enact mandatory health care funding at a proper level to restore and maintain the veterans health care system.

VVA urges you to move forward legislation that would make per captita funding of the veterans health care system mandatory, at a figure for each veteran at the same level per capita as FY 1996, adjusted and compounded for medical inflation for each year since.

Mr. Chairman, this concludes my prepared remarks. I would be pleased to answer any questions that you may have of me. Again, Vietnam Veterans of America thanks you and your distinguished colleagues for your tenacious leadership on so many veterans' health care issues, and for considering our views on this issue of vital importance to veterans of every generation.

RICHARD WEIDMAN

Richard F. “Rick” Weidman serves as Director of Government Relations of Vietnam Veterans of America (VVA). As such, he is the primary spokesperson for VVA in Washington. He served as a 1-A-O Army Medical Corpsman during the Vietnam War, including service in 1969 with Company C, 23rd Med, AMERICAL Division, located in I Corps.

Mr. Weidman was a member of the staff of VVA from 1979 to 1987, serving variously as Membership Director, Agency Liaison, and Director of Government Relations. He left VVA to serve in the Administration of New York Governor Mario M. Cuomo as statewide director of Veterans Employment & Training (State Veterans Programs Administrator) for the New York State Department of Labor.

He has served as consultant on legislative affairs to the National Coalition for Homeless Veterans and served at various times on the VA Readjustment Advisory Committee, the Secretary of Labor’s Advisory Committee on Veterans Employment & Training, the President’s Committee on Employment of Persons with Disabilities-Subcommittee on Disabled Veterans, the Advisory Committee on Veterans’ Entrepreneurship at the Small Business Administration, and numerous other advocacy posts in veteran affairs. He currently serves as Chairman of the Task Force for Veterans’ Entrepreneurship and Chairman of the Task Force for Veterans Preference & Government Accountability, both of which are mechanisms for veterans’ organizations and other Americans committed to justice for veterans to coordinate efforts on these vital issues.

Mr. Weidman was an instructor and administrator at Johnson State College (Vermont) in the 1970s, where he also was active in community and veterans affairs. He attended Colgate University (B.A., 1967), and did graduate study at the University of Vermont.

He is married and has four children.

VIETNAM VETERANS OF AMERICA
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The national organization Vietnam Veterans of America (VVA) is a non-profit veterans membership organization registered as a 501(c)(19) with the Internal Revenue Service. VVA is also appropriately registered with the Secretary of the Senate and the Clerk of the House of Representatives in compliance with the Lobbying Disclosure Act of 1995.

VVA is not currently in receipt of any federal grant or contract, other than the routine allocation of office space and associated resources in VA Regional Offices for outreach and direct services through its Veterans Benefits Program (Service Representatives). This is also true of the previous two fiscal years.

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